GOVERNMENT OF INDIA
DRINKING WATER AND SANITATION
LOK SABHA

UNSTARRED QUESTION NO:10
ANSWERED ON:02.02.2017
Water Projects
Mishra Shri Anoop

Will the Minister of DRINKING WATER AND SANITATION be pleased to state:

(a) whether a challenge in securing Government funding for water projects is that the tendering process favours the lowest-cost bidder as opposed to providing quality or solution-durability;
(b) if so, the details thereof and the steps contemplated in this regard;
(c) whether the absence of economically viable models for capital expenditure recovery and operating profitability limits the ability of the community water sector to attract commercial funding; and
(d) if so, the details thereof and the steps envisaged by the Union Government to address this issue?

Answer

MINISTER OF STATE FOR DRINKING WATER AND SANITATION
(SHRI RAMESH CHANDAPPA JIGAJINAGI)
(a) & (b) Rural Water Supply is a State Subject. Under the National Rural Drinking Water Programme (NRDWP), Ministry of Drinking Water and Sanitation provides financial and technical assistance to State Governments for rural drinking water supply. States are empowered to plan, design, sanction and execute the rural water supply schemes. Although, the Ministry is not involved in the tendering process, but the States used to follow the general established practice of tendering through which the quality or solution durability of the scheme is ensured by technical clauses before applying low cost criteria for awarding rural drinking water supply contract. Moreover, inspections clauses are used to ensure quality issues.
(c) & (d) The provision of drinking water supply to the rural population can neither be characterized as a purely charitable activity nor its model can be based on purely commercial profitability. The States are empowered to choose viable model based on the situations like the density / spread of the population to be served and spending capability of the population. This has been applied in few cases including community water purification plants and water supply schemes conceived with external aid.